

JULY 14, 2023 10:19 AM (EDT)

AM Best Revises Issuer Credit Ratings Outlook to Positive for Beazley Subs and Affirms Ratings of Beazley's Lloyd's Syndicates

CONTACTS:

Todor Kitin
Senior Financial Analyst
+44 20 7397 0335
todor.kitin@ambest.com

Christopher Sharkey
Associate Director, Public Relations
+1 908 882 2310
christopher.sharkey@ambest.com

Tim Prince
Director, Analytics
+44 20 7397 0320
tim.prince@ambest.com

Al Slavin
Senior Public Relations Specialist
+1 908 882 2318
al.slavin@ambest.com

FOR IMMEDIATE RELEASE

LONDON - JULY 14, 2023 10:19 AM (EDT)

AM Best has revised the outlook to positive from stable for the Long-Term Issuer Credit Ratings (Long-Term ICR) and affirmed the Financial Strength Ratings (FSR) of A (Excellent) and the Long-Term ICRs of "a" (Excellent) of Beazley Insurance Designated Activity Company (BIDAC) (Ireland), Beazley Insurance Company, Inc. (BICI) (Farmington, CT) and Beazley America Insurance Company, Inc. (Beazley America) (Farmington, CT). The outlook of the FSRs is stable.

Concurrently, AM Best has affirmed the FSRs of A (Excellent) and the Long-Term ICRs of "a+" (Excellent) of Lloyd's Syndicate 2623, Lloyd's Syndicate 623, Lloyd's Syndicate 3623, and Lloyd's Syndicate 3622 (the syndicates) (United Kingdom). The outlook of these Credit Ratings (ratings) is stable.

The ratings of BIDAC, BICI and Beazley America reflect the consolidated balance sheet strength of Beazley plc (Beazley) [LSE: BEZ], which AM Best assesses as very strong, as well as the group's strong operating performance, neutral business profile and appropriate enterprise risk management.

The positive outlook of the Long-Term ICRs reflects AM Best's expectation that Beazley will maintain its risk-adjusted capitalisation comfortably at the strongest level, as measured by Best's Capital Adequacy Ratio (BCAR), supported by prudent capital management and effective cross-cycle underwriting management. If the group maintains robust capital buffers and strong underwriting performance throughout the currently hard market cycle, a rating upgrade is likely.

BIDAC, BICI and Beazley America are strategically important to and integrated with Beazley. These three companies are owned ultimately by Beazley, which is the non-operating holding company and consolidating rating unit for the group.

BIDAC reinsures 75% of the profit or loss of the distribution of Lloyd's Syndicates 2623 and 3623 to Beazley's Lloyd's corporate member (after a deductible) and is the group's main regulated operating entity in the European Union, whereas BICI and Beazley America are Beazley's admitted carriers in the United States.

Beazley's balance sheet strength is underpinned by its risk-adjusted capitalisation at the strongest level, as measured by BCAR, as well as the group's prudent reserving, good financial flexibility and strong liquidity. The balance sheet strength is supported by a conservative investment strategy, although the group maintains a moderate allocation to higher-yield instruments. In November 2022, Beazley completed a capital raise of approximately USD 400 million to support projected business growth in response to improved market conditions.

Beazley's strong operating performance is evidenced by its five-year (2018-2022) weighted-average return on equity of 8.0% and combined ratio of 96.1% (as calculated by AM Best). In 2022, Beazley reported a net underwriting profit of USD 430.1 million, equating to a combined ratio of 88.2%, driven by strengthening of premium rates and prior-year reserve releases across all lines of business. This was offset partially by investment fair value losses caused by the increasing interest rates during the period. Whilst Beazley's earnings remain exposed to possible volatility relating to potential catastrophe losses and increasing claims costs, AM Best expects the group's overall performance to remain strong, supported by its selective underwriting strategy and conservative investment allocation.

Beazley has a well-established profile, with a strong franchise as an internationally recognised insurance group operating principally at Lloyd's. The group's gross written premiums reached USD 5.3 billion in 2022 and is expected to continue to expand in the medium term. During the first quarter of 2023, premiums increased by 12% compared with the same period in the prior year, driven largely by strengthening premium rates.

The syndicates are managed by Beazley Furlonge Limited, and their ratings reflect the financial strength of the Lloyd's market, which underpins the security of all syndicates. The capital of Lloyd's Syndicates 2623, 3623 and 3622 is provided by Beazley via its corporate member, whilst Lloyd's Syndicate 623 is supported by third-party capital.

Lloyd's Syndicates 2623 and 623 have a record of good performance and maintain a resilient position in the Lloyd's market. Together, they underwrite business at Lloyd's in parallel, with their shares of combined business split according to each syndicate's portion of overall combined capacity. Lloyd's Syndicates 3622 and 3623 are much smaller in comparison.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).

AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
020651	Beazley America Insurance Company, Inc.
011442	Beazley Insurance Company, Inc.
091197	Beazley Insurance DAC
046515	Beazley plc
085202	Lloyd's

1 [2](#)



[About Us](#) | [Advertise](#) | [Careers](#) | [Contact](#) | [Events](#) | [Media Relations](#) | [Offices](#) | [Press Releases](#) | [Social Media](#) | [Cookie Notice](#) | [Legal & Licensing](#) | [Privacy Notice](#) | [Site Map](#) | [Terms of Use](#)

Copyright © 2023 A.M. Best Company, Inc. and/or its affiliates. ALL RIGHTS RESERVED.